



**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In Application of: David J. Alverson      Group Art Unit: 3623  
Serial No.: 10/634,504      Examiner: Peter H. Choi  
Filed: August 5, 2003  
For: **CONTRACTOR CERTIFICATION SYSTEM**  
Docket No.: 0131-1

March 22, 2010  
Bedminster, NJ 07921

Board of Patent Appeals and Interferences  
United States Patent and Trademark Office  
Commissioner for Patents  
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**REPLY BRIEF FOR APPLICANT / APPELLANT**

This Reply Brief is submitted pursuant to 37 C.F.R. 41.41 and is in response to the Examiner's Answer dated January 22, 2010 in the pending appeal of the above-identified application. The Reply Brief is transmitted in triplicate. It is submitted that no fee is due in connection with the filing of the instant Reply Brief.

**Withdrawn Rejections in Examiner's Answer**

Applicant wishes to express his appreciation to the Examiner for the withdrawal of the rejection of claims 1, 2, and 4-13 under 35 U.S.C. §112, 1st paragraph. That withdrawal can be found in Section (6) – *Grounds of Rejection to be Reviewed on Appeal* set forth in the Examiner's Answer on page 2 continuing onto page 3.

Accordingly, Applicant respectfully notes that the withdrawn rejection of claims 1, 2, and 4-13 under 35 U.S.C. §112, 1st paragraph, is no longer presented for review on appeal.

## **Response to Arguments in Examiner's Answer**

Applicant respectfully notes that Section (9) – *Grounds of Rejection* set forth in the Examiner's Answer (pages 4 – 35) repeats substantially verbatim portions of the Final Rejection dated April 27, 2009 from which the present appeal is taken (hereinafter referred to as FOA '09). In particular, the Examiner's Answer repeats remarks made in the Final Rejection when rejecting:

- (1) claims 1, 2, and 4-13 under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention [FOA '09, pg. 27-30 and Official Notice via pg. 31-32; Examiner's Answer, pg. 4-8 and Official Notice via pg. 10-11];
- (2) claims 1, 2, and 4-13 under 35 U.S.C. §101 as being directed to non-statutory subject matter [FOA '09, pg. 23-25; Examiner's Answer, pg. 8-10];
- (3) claims 1, 2, 4, 5, 7, 8, 9, 12 and 13 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of the Award Expiration/Closeout section of the University of Utah Research Handbook reference, the "Field Team Audits" by The Nielson Environmental Field School reference and U.S. Patent Application Publication No. 2004/0059592 to Yadav-Ranjan [FOA '09, pg. 32-52; Examiner's Answer, pg. 11-31];
- (4) claims 6, 10, 11 and 13 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 5,765,138 to Aycock et al., in view of GuruNet's "Business Evaluation Statements", further in view of the Award Expiration/Closeout section of the University of Utah Research Handbook reference, the "Field Team Audits" by The Nielson Environmental Field School reference and U.S. Patent Application Publication No. 2004/0059592 to Yadav-Ranjan, and further in view of Ana Volpli's "Support Center Practices Certification" reference [FOA '09, pg. 52-56; Examiner's Answer, pg. 31-35].

Respectfully noted, the rejection of claims 1, 2, and 4-13 raised under 35 U.S.C. §112, 1st paragraph, has been withdrawn by the Examiner.

Applicant/Appellant has responded to each of the grounds delineated hereinabove with respect to claims 1, 2, and 4-13 in the Appeal Brief filed September 30, 2009. The following

additional remarks are filed with reference to the Examiner's Answer and, in particular, to Section (10) – *Response to Argument*.

### **35 USC 101**

Applicant/appellant respectfully traverses the Examiner's assertion at page 36, last paragraph of the Examiner's Answer, that "the previous rejection (mailed April 27, 2009) did not assert that the claimed invention failed to comply with § 101 under *Bilski*." Inasmuch as *Bilski* outlines the current state of the judiciary in construing whether claims encompass statutory subject matter under Section 101 it is applicable. As set forth in the USPTO Memoranda "Guidance for Examining Process Claims in view of *In re Bilski*" referred to by the Examiner's Answer on page 37, *Bilski* clarified the test utilized in determining whether a method claim meets a specialized, limited meaning to qualify as a patent-eligible process claim via the "*machine-or-transformation test*".

Applicant/appellant respectfully traverses the Examiner's assertion at page 39, first paragraph of the Examiner's Answer that the "claimed invention fails the 'particular machine' prong." Significantly, the claimed invention is tied to concrete parts, devices, or combination of devices. Applicant's claims are tied to a computer database and software for evaluation and electronically ranking the contractor in comparison with industry standards. Accordingly, Applicant's claims pass the 'particular machine' prong.

Applicant/appellant respectfully traverses the Examiner's assertion at page 39, second paragraph of the Examiner's Answer that the "entering of data into the database provided by the claimed invention does not represent physical and tangible objects" and "the claimed data represents an abstract value". The Examiner's Answer asserts that allowable claim in Abele is distinguishable from Applicant's claims because in Abele "x-ray attenuation data [was] produced

in a two dimensional field by a computed tomography scanner". As such, the Examiner's Answer sets forth that it was deemed to represent physical and tangible objects because it "clearly represented physical and tangible objections, namely the structure of bones, organs and other body tissues..." However, quite to the contrary, the Court in Bilski specifically pointed out for *clarification* that "the electronic transformation of the data itself into a visual depiction in *Abele* was sufficient; the claim was not required to involve any transformation of the underlying physical object that the data represented." *In re Bilski*, 545 F.3d 943, 962-963 (Fed. Cir. 2008). Applicant's invention requires the transformation of physical matter – that is the transformation of survey information that is required to be gathered from selected candidates within different organizational levels of a building contractor's business – into a visual depiction via reporting means providing a grade indicative of the contractor's rank. Accordingly, Applicant's claims pass the 'transformation' prong.

Applicant/appellant respectfully traverses the Examiner's assertion at page 40, ¶2 that "while a computer database is cited that stores a questionnaire, said database is not explicitly recited as being a part of the claimed system." Applicant asserts that by virtue of *requiring* storage on a computer database and software evaluation, a computer database is at least inherently required. Disclosure may be express, implicit, or inherent. Thus, at the outset, USPTO personnel must attempt to correlate claimed means to elements set forth in the written description that perform the recited step or function. MPEP 2106. The dictionary relevantly defines "database" as "a usually large collection of data organized especially for rapid search and retrieval (as by a computer)."  
[Emphasis added; *Merriam Webster's* , <http://www.merriam-webster.com/dictionary/database>]. The use of the word "computer" before "database" in the claims further reinforces that a computer is part of the claimed system.

Applicant/appellant respectfully traverses the Examiner's assertion at page 40, ¶3 that the claimed invention includes a human as an element via "on-location assessment means." Applicant's claims do not claim a human, but claim a step / element – that is "on-location assessment means." On-location assessment means involves evaluation of acquired information, determine work practices and financial procedures which can be carried out a number of ways including via questions on a database. Specifically the claims require that the on-location assessment means be included in the system for determining business and financial practices at the contractor's operations, the assessment means comprising asking questions to each of the candidates selected through the mapping means and observing examples of the contractor's business practices and financial procedures, the assessment means further comprising visiting several active job sites at which the contractor is involved. On-location assessment means can be carried out via database with stored questions and stated examples and does not require a human in the system per se.

### **35 USC 112, 2nd paragraph**

Applicant/appellant respectfully traverses the Examiner's assertion at page 41, ¶4 that "it is unclear whether the claimed invention is directed towards a process." "The question of whether a claim encompasses statutory subject matter should not focus on which of the four categories of subject matter a claim is directed to--process, machine, manufacture, or composition of matter--but rather on the essential characteristics of the subject matter, in particular, its practical utility." *State St. Bank & Trust Co. v. Signature Fin. Group*, 149 F.3d 1368, 1375 (Fed. Cir. 1998). The plain and unambiguous meaning of § 101 is that any invention falling within one of the four stated categories of statutory subject matter may be patented,

provided it meets the other requirements for patentability set forth in Title 35, i.e., those found in §§ 102, 103, and 112. *Id.* at 1372. In State St. Bank independent claim 1, as construed in accordance with § 112, was found to be directed to a machine, where claim 1 set forth “a data processing system for managing financial services” and the system comprised “means” recited in the claim. *Id.* at 1371-1372. The Court stated that each claim component, recited as a “means” plus its function, is to be read, of course, pursuant to §112, as inclusive of the “equivalents” of the structures disclosed in the written description portion of the specification, and thus, claim 1, properly construed, claims a machine, namely, a data processing system for managing a financial services configuration of a portfolio established as a partnership, which machine is made up of, at the very least, the specific structures disclosed in the written description and corresponding to the means-plus-function elements (a)-(g) recited in the claim. *Id.* at 1372.

Applicant/appellant respectfully traverses the Examiner’s assertion at pages 41-42, ¶¶5 that “the scope cannot be determined” via “on-location assessment means, comparison means and reporting means.” “Means” plus its function, is to be read pursuant to §112 as inclusive of the “equivalents” of the structures disclosed in the written description portion of the specification. Survey means is required as a questionnaire in the claims, which in turn is defined in the specification – see Figs. 2 and 3 and the discussion thereto. Mapping means is defined in the specification on page 19, lines 19-23, setting forth that the completed questionnaires are sent to Construction Risk Technology, the evaluating company, and referring to step 12 in Fig. 1, the Technical Evaluators of Construction Risk Technology examine the details of the answers and correlate them to determine clear matches, clear discrepancies and inadequate details. Based on this analysis, the Technical Evaluators map out strategies for interviews and visits to several job site inspections. [Spec., pg. 19, ln. 19-23]. On-location assessment means is described in the

application via specification page 20, lines 1-4. Comparison means is described in the application via specification page 20, lines 10 – 12. Reporting means is described in the application via specification page 20, lines 14 – 17. The specification is not required to be all inclusive in describing the equivalents.

### **35 USC 103(a) rejection of claims 1, 2, 4, 5, 7, 8, 9, 12 and 13**

Applicant/appellant respectfully traverses the Examiner's assertion at page 44, ¶6 that "Aycock et al. does indeed permit assessment of a contractor's business by a third party." [Examiner's Answer referring to Aycock col. 1, lines 45-56]. Significantly, Aycock does not teach independent third party assessment but instead teaches that the "purchasing agent may be an employee, or "buyer", of the entity interested in purchasing the products or services...or an independent agent *acting on behalf of the buying entity.*" Aycock et al. provides for an **agent –acting on behalf of the buying entity** – thus creating an **agency relationship** between the buying entity and the "independent agent", wherein "an agency relationship is a consensual relationship created when one person (the agent) acts on behalf of and subject to the control of another (the principal)." Hynes, Dennis J., "Agency, Partnership, and the LLC: The Law of Unincorporated Business Enterprises", Lexis Law Publishing, Fifth Edition, 1994, Glossary; Restatement (Second) of Agency §1. Thus, **Aycock et al. does not teach "independent third party" assessment but at best teaches that an agent acting on behalf of the buying entity conducts the assessment.** Conversely, Applicant's claims require an independent third party – independent from the contractor AND independent from any particular lending or surety

entity. While any system of Aycock et al. would result in assessment via an agent of the lender or surety itself.

What is more, Applicant/Appellant disagrees with the Examiner's position that the uses and / preamble recited in the claim are mere intended uses and therefore are not given patentable weight. It is well established that limitations in the preamble are to be read into the claim if it breathes life into the claim. "[A] claim preamble has the import that the claim as a whole suggests for it." *Bell Communications Research, Inc. v. Vitalink Communications Corp.*, 55 F.3d 615, 620, 34 USPQ2d 1816, 1820 (Fed. Cir. 1995). "If the claim preamble, when read in the context of the entire claim, recites limitations of the claim, or, if the claim preamble is 'necessary to give life, meaning, and vitality' to the claim, then the claim preamble should be construed as if in the balance of the claim." *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1305, 51 USPQ2d 1161, 1165-66 (Fed. Cir. 1999). Applicant's preamble, when read in the context of the entire claim, gives life, meaning and vitality to the claim and therefore should be construed as if in the balance of the claim.

Additionally, the Examiner further submits that "independent third party" does not equate to a structure feature or difference and therefore does not merit patentable weight in the recitation of the claim. However, the requirement that the survey means be carried out by an "independent third party" is an important feature and it should be accorded patentable weight. Independent third party survey means provides for a non-biased survey and assessment and therefore provides a more powerful tool than a survey carried out by an interested agent.

Applicant/appellant respectfully traverses the Examiner's assertions at pages 45-48, ¶7; pages 49-50, ¶9; and pages 55-57, ¶14. Significantly, any combination of Aycock et al. with GuruNet would not provide in-depth financial assessment necessary for securing lines of credit.

The Examiner has disagreed that GuruNet is vague and only probative as to subjective questions, and further sets forth that Applicant has argued limitations beyond the scope of the claimed invention –despite the fact that Applicant’s arguments concern specifically required limitations therein. As set forth hereinabove, Applicant’s preamble breathes life into the claim and therefore is to be considered in the full context of the claim. As examination of the questions of GuruNet evidence the lack of probative value in determining information for securing lines of credit. Applicant’s specification sets forth specific questions to be asked. *See* Spec. page 20 lines 16-23; Figures 1-5. The questions in GuruNet merely assist a business owner in finding weaknesses, and certainly a surety could not possibly utilize answers to such questions to base a multi-million dollar loan upon. Questions in GuruNet are answered on a scale of 1 – 10, and therefore, not only are the questions vague and subjective, but the answers would not provide the degree of information that a lender could rely upon – or any vital information for that fact, except a biased rating anywhere from 1 - 10. Therefore, even if one of ordinary skill in the art at the time of invention were to modify the teachings of Aycock et al. to include the evaluator statements presented by GuruNet, the resultant process would not provide evaluations of business and financial practices that could be comfortably utilized by surety institutions in the surety underwriting process.

Applicant/appellant respectfully traverses the Examiner’s assertions at pages 48-49, ¶¶8 regarding assessment means. Notably, GuruNet does not disclose a survey with questions that can be relied upon by a surety; and the Utah Research Handbook does not involve a building contractor – or builder – but merely involves government contract awards. As such the Utah Research Handbook merely entails the University’s handling of closeout procedures, and is not indicative of closeout procedures for building contractors. Any combination of Aycock et al.

with GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan would fail to teach Applicant's claims.

Applicant/appellant respectfully traverses the Examiner's assertions at pages 50-51, ¶10 that "the Utah Research Handbook outlines the closeout procedures required of contractors" and "a contractor is one that agrees to furnish materials or performs service" to encompass various types of contractors. However, Applicant's claims require that the contractor is a "building contractor" and throughout the specification contractor is clearly defined as a "building contractor". As pointed out in Applicant's speciation, large risk is involved in surety and lending practice since a building contractor may not be able to pay back the loan in time, due to various factors. Oftentimes sureties and lending institutions rely on a contractor's previous experiences; and attempt to reduce lending risks by charging higher interest rates, especially when risk levels are perceived to be high. These sureties and lending institutions have neither the time nor the expertise to probe the details of a contractor's operational and financial practices. The decline of a contractor occurs gradually with signs of deterioration visible only in the very late stages, at which point the damage has already occurred. Key factors in improving the relationship between the contractor and a surety or lending institution are independent objective assessments of the contractor's operational and financial practices. These factors are difficult to determine since they are well hidden within the contractor's operations and have to be probed carefully during a friendly, yet objective examination. See Specification, page 15-16, lines 22-24 and 1-10, respectively.

Applicant/appellant respectfully traverses the Examiner's assertions at pages 51-52, ¶11 that "GuruNet sets forth that the statements be given to staff members" and that same "would include various levels of employees." GuruNet merely sets forth that the statements vaguely be

given to staff members which do not include employees at different organizational levels. At best such teaching establishes that surveys/questionnaires are administered to a person or a group of people at the same organizational level. That is to say, it teaches that a group of workers may be surveyed — but does not teach simultaneously orchestrating a questionnaire to a plethora of groups or people of different organizational levels as is required by Appellant's claim1(b). The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *Lowry* at 1582. However, the Examiner does not have any teaching supporting a multifaceted assessment derived from questioning workers, foremen, project managers, engineers, and principals within an organization. Appellant's claims require that the selected candidates comprise workers, foremen, project managers, engineers, and principals, thus resulting in a system wherein individuals at a plethora of different organizational levels of the contractor's business are questioned.

Applicant/appellant respectfully traverses the Examiner's assertions at pages 52-54, ¶12, including that "the identity or job title / role...does not impact the structure of the survey..." However, it clearly impacts the structure of the survey when it impacts the job title / role of the individual responding to the questions. Compiling the answers from these different candidates provides a survey that examines every level and aspect of the contractor's business and financial practices, functioning to uniquely derive a full gamut of expertise by questioning all levels within the contractor's business. This multifaceted approach is not disclosed or taught in Aycock et al., GuruNet, Bladen et al., or The Utah Handbook, either alone or in combination, and is a functional recitation that carries patentable weight.

Applicant/appellant respectfully traverses the Examiner's assertions at pages 54-55, ¶13, including that "although Aycock et al. only provides for on-location assessment on an as-needed

basis, this does not preclude the fact that Aycock et al. does indeed teach the step of performing on-location/onsite project site audit.” Aycock et al. only provides for on-location assessment or tier 2 analyses (on-site supplier audit) based on contingencies, including *if a supplier is not approved* but meets a minimum maturity level (step 26) or *if an automatic approval cannot be made*, and as such on-location visits are not automatically appointed for carrying out. [Aycock et al., Col. 7, lines 38 – 43]. Aycock et al.’s on-location assessment is *only* carried out when a supplier meets the minimum maturity level and an interim decision has been made refusing to automatically approve the supplier – therefore, the on-location assessment is not carried out under two circumstances: (i) if the supplier fails to meet the minimum maturity level and is automatically rejected; or (ii) if the supplier meets the minimum maturity level but an interim decision is made to *automatically approve* the supplier. [Aycock et al., Col. 7, lines 38 – 65; Fig. 1 callouts 26, 30, 32, 34 and 36]. Therefore, where the supplier’s answers are incorrect, exaggerated, or otherwise misguided, and the supplier is approved, the on-location assessment is not performed to verify and otherwise confirm the answers. . Any combination of Aycock et al. with GuruNet, Utah Research Handbook, Nielsen Environmental and Yadav-Ranjan would not cure the teaching in Aycock et al. for on-location assessment based on contingencies. Thus, the combination of references fail to teach a system that automatically and always incorporates on-location visits as is required by Applicant’s claims.

### **35 USC 103(a) rejection of claims 1, 6, 8, and 11 as pertaining to Official Notice**

As to ¶¶15-17, Applicant/appellant respectfully expresses his appreciation to the Examiner for clarifying that certain Official Notices as applied to claims 8, 6, 11, and 1 are moot as same are not being applied to the claims in question. [See Examiner’s Answer, pages 58-59].

## **CONCLUSION**

In light of the foregoing remarks, it is respectfully submitted that the contractor certification system of claim 1 is directed to patentable subject matter, is claimed with particularity, and is not disclosed or suggested by any combination of the art references applied, and thus meet the conditions for patentability required by 35 USC §§101, 112, 2<sup>nd</sup> paragraph, and 103(a). It is further submitted that claims 2 and 4-13, dependent from base claim 1, are patentable within the meaning of 35 USC §§101, 112, 2<sup>nd</sup> paragraph, and 103(a) for at least the same reasons as the base claim.

Accordingly, reversal of the rejection of claims 1, 2 and 4-13 under 35 USC §§101, 112, 2<sup>nd</sup> paragraph, and 103(a), and allowance of the present application, are earnestly solicited.

Respectfully submitted,  
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